High Cost of Production in opencast coal mines

7339. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COAL be pleased to state:

(a) whether any assessment has been made by Government about the increased cost of production even in opencast mines;

(b) if so, whether any reason has been found for the high cost;

(c) what will be the cost of production of coal after 10 years from opencast mines at this rate of increase of cost of coal production; and

(d) whether in such circumstances, particularly after the globalisation of Indian economy, it will be possible to compete in the World market due to high cost in the use of low useful heat value coal by our power sector and the industry?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI AJIT KUMAR PANJA): (a) and (b) The cost of coal production, whether from Underground or opencast mines, increases in terms of current prices due to increase in cost of inputs. However the production cost in terms of constant prices (i.e. current cost as deflated by inflation rate measured by wholesale price index) has not been going up in recent years. Data below would indicate that the increase in production cost has been contained well within the inflation rate:

Year	Wholesale price index	Actual cost of production (Rs. per tonne)
1986-87 . . .	132.7	143.78
1993-94 . . .	247.6 (Prov.)	242.89 (Provisional)
increase (%)	86.6	68.9

(c) Subject to the continuation of above trend, no increase in cost of production in real terms is envisaged in the next 10 years.

(d) The production cost of Indian coal on per tonne basis is estimated to be one of the lowest amongst the coal producing countries in the World. Even after adjustment for low by heat value Indian coal is likely to compete successfully with landed imported coal particularly in respect of consumers located at some distance from the ports.

Opencast mining

7340. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that entire thrust of our planning of coal is through the route of opencast mines:

(b) whether it is a fact that out of the total proved reserve of 64,595 million tonnes, the mineable reserve is 30,838 million tonnes, out of which 17,212 million tonnes will be extracted through the route of underground mining; and

(c) if so, why priority is not being accorded to underground mining?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI AJIT KUMAR PANJA): (a) to (c) The choice of method of mining, whether opencast or underground, is generally dependent on factors like nature and geometery of coal deposit, geo-mining conditions and techno-economic and environmental considerations. In order to increase production of coal particularly of superior grades greater stress is being laid on faster development of underground mines.

The total proved reserves of Gondwana coal in the country as on